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The role of diamonds in fuelling conflict

Letter dated 3 December 2001 from the Permanent Representative of South Africa to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the report on the Kimberly Process to the General Assembly pursuant to resolution 55/56 of 1 December 2000.

I would be grateful if the text of this letter and its annexes were distributed as a document of the General Assembly under agenda item 37.

(*Signed*) Dumisani S. **Kumalo**
Ambassador and Permanent Representative

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Annexes to the letter dated 3 December 2001 from the Permanent Representative of South Africa to the United Nations addressed to the Secretary-General

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* For the text, see A/56/502, annex, appendices A-D.

Annex I

Report on the Kimberley Process submitted to the General Assembly pursuant to Assembly resolution 55/56 of 1 December 2000

Introduction

Operative paragraph 6 of the United Nations General Assembly (UNGA) Resolution 55/56, adopted on 1 December 2000 requests the countries participating in the Kimberley Process to present to the UNGA, no later than its 56th Session, a report on progress made with regard to developing detailed proposals for a simple and workable international certification scheme for rough diamonds. Resolution 55/56 also records the decision by the General Assembly to include in the provisional agenda of its 56th session the item entitled "The role of diamonds in fuelling conflict".

Objectives of the Kimberley Process

The Kimberley Process was established at the initiative of Southern African diamond producing countries in order to:

(a) stem the flow of rough diamonds used by rebels to finance armed conflict aimed at overthrowing legitimate governments, thereby making a substantial contribution to international peace and security;

(b) protect the legitimate diamond industry, upon which many countries are dependent for their economic and social development;

(c) achieve the above through the creation and implementation of an international certification scheme for rough diamonds, based primarily on national certification schemes and on internationally agreed minimum standards.

Participation in the Kimberley Process

Participation included States involved in the production, exporting and importing of rough diamonds, the number of which grew considerably following the adoption of UNGA Resolution 55/56. Furthermore, all member states of the United Nations were notified of meetings to be held and invited to indicate their interest in attending.

Representatives from the diamond industry, notably the World Diamond Council, and civil society are also active participants in the Kimberley Process.

Representatives from United Nations Sanctions Committees for Angola, Sierra Leone and Liberia, the Monitoring Mechanism on the situation in Angola as well as the Expert Panel on the Illegal Exploitation of Natural Resources and other forms of Wealth in the Democratic Republic of the Congo, also attended the meetings.

Meetings held

The Kimberley Process, chaired by South Africa, held the following meetings since the adoption of Resolution 55/56, with the view to developing detailed proposals for an international certifications scheme for rough diamonds:

Windhoek, 13 to 16 February 2001;

Brussels, 25 to 27 April 2001;

Moscow, 3 to 5 July 2001;

Twickenham, United Kingdom, 11 to 13 September 2001;

Luanda, 30 October to 1 November 2001;

Gaborone, 26 to 29 November 2001.

These meetings summarised their proceedings in communiqués.* The statement issued at the Ministerial meeting at Gaborone, on 29 November 2001 is set out in annex VII to the present document.

Progress achieved

At the above-mentioned meetings, detailed proposals for an international certification scheme for rough diamonds were developed, as set out in the Kimberley Process working document 9/2001 entitled "Essential Elements of an International Scheme of Certification for Rough Diamonds with a view, to breaking the link between armed conflict and the trade in rough diamonds". ** At the meeting in Gaborone, Ministers and the representatives of the world's leading rough diamond producing, exporting, and importing states, the European Community, the Southern Africa Development Community, and other states concerned by the devastating effects of trade in conflict diamonds declared that:

1. The detailed proposals for an international certification scheme for rough diamonds developed by the participants in the Kimberley Process and presented in the form of Kimberley Process working document 9/2001 "Essential Elements of an International Scheme of Certification for Rough Diamonds, with a view to breaking the link between armed conflict and the trade in rough diamonds", dated 28 November 2001,** provide a good basis for the envisaged certification scheme;

2. The certification scheme should be established through an international understanding as soon as possible, recognising the urgency of the situation from a humanitarian and security standpoint. Those in a position to issue the Kimberley Process Certificate should do so immediately. All others are encouraged to do so by 1 June 2002. It is the intention of participants to start the full implementation simultaneously by the end of 2002.

* See A/56/502, annex, appendices A-D.
** To be issued subsequently.

3. The mandate for the Kimberley Process should be extended until the beginning of the simultaneous implementation, in order to undertake the finalisation of the international understanding;

4. The widest possible participation in the certification scheme is essential and should be encouraged and facilitated.

The Ministers also recognised the need to ensure that the measures taken to implement the international certification scheme for rough diamonds must be consistent with international law governing international trade.

Conclusion

The Ministers recommended that the United Nations take action to support the implementation of the international certification scheme for rough diamonds as an instrument that would help to promote legitimate trade and ensure the effective implementation of the relevant Resolutions of the United Nations Security Council containing sanctions on the trade in conflict diamonds, that are contributing to the promotion of international peace and security, and the relevant United Nations General Assembly resolutions as referred to in the scheme.

Annex VI

Kimberley Process meeting, Luanda, 30 October-1 November 2001

Final Communiqué

The Participants in the Kimberley Process met in Plenary Session in Luanda, Angola from 30 October to 1 November 2001, to give further consideration of a set of detailed proposals for an international certification scheme for rough diamonds. Twenty five countries and the European Community were represented at the meeting. Also participating were representatives of SADC, the World Diamond Council representing the organised diamond industry, and several NGOs. The participants expressed their gratitude to the Angolan Government for hosting the meeting and for the warm hospitality they had enjoyed.

In keeping with the roadmap agreed to at the Kimberley Process meeting in Windhoek in February 2001, which set out the schedule of meetings for 2001 as well as the issues to be dealt with, the meeting in Luanda aimed to begin the finalisation of a set of detailed proposals for an international certification scheme for rough diamonds.

The meeting considered a Chairman's text of the working document developed during 2001, and considered at Twickenham. All alternatives and bracketed text had been removed from the working document, resulting in rapid progress being made. Consensus was achieved on most of the detailed proposals to be presented to the planned Ministerial meeting in Gaborone, Botswana, on 29 November 2001. Specifically there was agreement on a range of internal controls to give effect to the international certification scheme, as well as on detailed provisions on co-operation and transparency. The precise content of the certificate to accompany shipments of rough diamonds, which lies at the heart of the scheme, was also agreed. In addition, agreement was reached on the Preamble setting out the important context in which the international certification scheme is set. It was also recognised that an international certification scheme must be consistent with international law governing international trade.

The meeting also noted and recognised the national efforts made by countries like Angola, the Democratic Republic of the Congo, Sierra Leone and Guinea to combat conflict diamonds by improving internal controls.

Work will continue on the outstanding issues, sections and Annexes, with a view to making further progress by the time of the planned ministerial meeting in Gaborone, Botswana, on 29 November 2001. The meeting will be preceded by a further Kimberley Process Plenary meeting from 26 to 28 November 2001 at which, in addition to further work on the working document, a report to the 56th Session of the UN General Assembly will be considered.

The meeting also considered proposals from the World Diamond Council for a comprehensive system of warranties and industry self-regulation, and incorporated the essential elements of this into the draft certification scheme. The World Diamond Council was encouraged to present these proposals to its membership and its membership organisations for a formal adoption.

The Participants decided that progress made so far was such that it justified submitting the results to the Ministers for endorsement. Participants also agreed to seek the Ministers' approval to continue the Kimberley Process referred to in UNGA Resolution 55/56 until it is completed and an international certification scheme is put in place.

Annex VII

Kimberley Process Ministerial statement issued at the conclusions of the Ministerial meeting, Gaborone, 29 November 2001

We, the Ministers and the representatives of the world's leading rough diamond producing, exporting, and importing states, the European Community, the Southern Africa Development Community, and other states concerned by the devastating effects of trade in conflict diamonds, met in Gaborone, Botswana on 29 November 2001, to consider detailed proposals for an international certification scheme for rough diamonds as called for at our meeting in Pretoria, South Africa, on 21 September 2000.

We recognise that the trade in conflict diamonds is a matter of serious international concern, which can be directly linked to the fuelling of armed conflict, the activities of rebel movements aimed at undermining or overthrowing legitimate governments, and the illicit traffic in, and proliferation of armaments, especially small arms and light weapons. We recognise therefore that urgent action is imperative;

We also recognise the devastating impact of conflicts fuelled by the trade in conflict diamonds on the peace, safety and security of people in affected countries and the systematic and gross human rights violations that have been perpetrated in such conflicts;

We note the negative impact of such conflicts on regional stability and the obligations placed upon states by the United Nations Charter regarding the maintenance of international peace and security;

We stress the need, for the above-mentioned reasons, for urgent international action and we recognise the need to prevent the problem of conflict diamonds from negatively affecting the trade in legitimate diamonds, which makes a critical contribution to the economies of many of the producing, exporting, and importing states, especially developing states in Africa;

We recall all of the relevant resolutions of the United Nations Security Council under Chapter VII of the United Nations Charter and are determined to contribute to and support the implementation of the measures provided for in these resolutions;

We particularly recall the United Nations General Assembly resolution 55/56 (2000) on the role of the trade in conflict diamonds in fuelling armed conflict, which called on the international community to give urgent and careful consideration to devising effective and pragmatic measures to address this problem;

We recall the recommendation in United Nations General Assembly resolution 55/56 that the international community develop detailed proposals for a simple and workable international certification scheme for rough diamonds based primarily on national certification schemes and on internationally agreed minimum standards;

We recall that the Kimberley Process, which was established to find a solution to the international problem of conflict diamonds, was inclusive of concerned stake holders, namely producing, exporting, and importing states, the diamond industry and civil society;

We welcome voluntary self-regulation initiatives announced by the diamond industry and recognise that a system of such voluntary self-regulation contributes to ensuring an effective internal control system of rough diamonds based upon this scheme;

We believe that the opportunity for conflict diamonds to play a role in fuelling armed conflict can be seriously reduced by introducing a certification scheme for rough diamonds designed to exclude conflict diamonds from the legitimate trade;

We further recall that the Kimberley Process considered that an international certification scheme for rough diamonds, based on national laws and practices and meeting internationally agreed minimum standards, will be the most effective system by which the problem of conflict diamonds could be addressed;

We acknowledge the important initiatives already taken to address this problem, in particular by the governments of Angola, the Democratic Republic of Congo, Guinea and Sierra Leone and by other key producing exporting and importing countries and encourage those governments to continue these initiatives. We also welcome the important contribution made by the diamond industry, in particular by the World Diamond Council, and by civil society;

We recognise the positive benefits of the legitimate diamond trade to producing countries, and that provision of assistance to the developing producing countries should be encouraged to further develop their production capacity and markets for their diamonds to encourage competitive, diversified, and open markets for trade in rough diamonds;

We recognise that an international certification scheme for rough diamonds will only be credible if all Participants have established internal systems of control designed to eliminate the presence of conflict diamonds in the chain of producing, exporting and importing rough diamonds within their own territories, while taking into account that differences in production methods and trading practices as well as differences in institutional controls thereof may require different approaches to meet minimum standards;

We are fully aware of the need to ensure that the measures taken in future to implement the international certification scheme for rough diamonds must be consistent with international law governing international trade;

We also recognise that state sovereignty should be fully respected and the principles of equality, mutual benefits and consensus should be adhered to;

We welcome important progress in the Kimberley Process to date, in particular the development of a Working Document containing the Essential Elements of an International Scheme of Certification for Rough Diamonds, with a view to breaking the link between armed conflict and the trade in conflict diamonds.

We declare that:

1. The detailed proposals for an international certification scheme for rough diamonds developed by the participants in the Kimberley Process and presented in the form of Kimberley Process Working Document 9/2001 "Essential Elements of an International Scheme of Certification for Rough Diamonds, with a view to breaking the link between armed conflict and the trade in rough diamonds", dated 28 November 2001, provide a good basis for the envisaged certification scheme;

2. The certification scheme should be established through an international understanding as soon as possible, recognising the urgency of the situation from a humanitarian and security standpoint. Those in a position to issue the Kimberley Process Certificate should do so immediately. All others are encouraged to do so by 1 June 2002. It is the intention of participants to start the full implementation simultaneously by the end of 2002.

3. The mandate for the Kimberley Process should be extended until the beginning of the simultaneous implementation, in order to undertake the finalisation of the international understanding;

4. The widest possible participation in the certification scheme is essential and should be encouraged and facilitated.

5. A progress report should be submitted to the 56th session of the United Nations General Assembly immediately after this Ministerial Meeting;

We recommend that the United Nations take action to support the implementation of the international certification scheme for rough diamonds as an instrument that would help to promote legitimate trade and ensure the effective implementation of the relevant Resolutions of the United Nations Security Council containing sanctions on the trade in conflict diamonds, that are contributing to the promotion of international peace and security, and the relevant United Nations General Assembly resolutions as referred to in the scheme.

We appreciate the support of all those countries who hosted Kimberley Process meetings (South Africa, Namibia, Russia, Belgium, United Kingdom, Angola, Botswana), as well as the particular contribution that South Africa has made to the Kimberley Process, through its role as Chair and provision of administrative support for the Process.

We would also in particular like to thank the Government of Botswana for the quality of the welcome extended to us and the facilities put at our disposal, which have contributed to the success of our meetings.